

Message Text

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13

ACTION NEA-12

INFO OCT-01 ISO-00 DEAE-00 CIAE-00 INR-10 IO-14 JUSE-00

NSAE-00 RSC-01 SNM-02 SY-10 TRSE-00 USIA-15 NSC-10

SCI-06 OMB-01 AID-20 L-03 DRC-01 COME-00 /106 W

----- 116661

R 161141Z OCT 73

FM AMEMBASSY ISLAMABAD

TO SECSTATE WASHDC 1589

INFO AMEMBASSY KABUL

AMCONSUL KARACHI

AMCONSUL LAHORE

LIMITED OFFICIAL USE ISLAMABAD 8990

E.O. 11652: N/A

TAGS: SNAR, PK

SUBJ: LICIT OPIUM EXPORTS

REFS: A) ISLAMABAD 7844

B) STATE 091823

C) ISLAMABAD 5887

D) STATE 163416

1. SUMMARY. PAK NARCOTICS CONTROL BOARD (PNCB) CHAIRMAN ORAKZAI HAS REQUESTED USG ASSISTANCE IN ARRANGING SALES OF SEIZED PAK OPIUM TO US FIRMS. EMBASSY HAS BEEN APPROACHED BY LOCAL EXPORTER AND BY RAFHAN MAIZE (SISTER COMPANY TO S.B. PENICK OF NEW YORK) REGARDING POSSIBLE EXPORTS, AND HAS, AFTER EXPLAINING US POLICY, REFERRED THEM TO PNCB. ACTION REQUESTED: REPORTS OF ANY APPROACHES TO DEPT. BY US FIRMS CONCERNING SEIZED PAK OPIUM AND DEPT. VIEWS ON ASSISTANCE TO ORAKZAI IN THIS AREA. END SUMMARY.

2. IN RECENT MEETINGS WITH ECONOMIC/COMMERICAL COUNSELOR AND NARCOTICS CONTROL OFFICER (NCO), ORAKZAI HAS EXPRESSED INTEREST IN ARRANGING LICIT EXPORTS OF

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SEIZED OPIUM TO U.S. HE HAS CONCLUDED THAT ONE PROMIS-

ING APPROACH TO IMPROVED ENFORCEMENT WOULD BE FUND FOR REWARDS TO OFFICERS AND INFORMERS, TO BE REPLENISHED BY PROCEEDS FROM EXPORT SALES (PARA 6, REF A) AND WANTS USG HELP IN ARRANGING SALES. PNCB REPORTS THAT 3.2 MT SEIZED OPIUM NOW AVAILABLE FOR SALE AT LAHORE FACTORY AND AT HEADQUARTERS OF VARIOUS ENFORCEMENT AGENCIES. WE HAVE PROVIDED ORAKZAI WITH GUIDANCE CONTAINED REF B AND INFORMED HIM OF REPORTED INTEREST OF S.B. PENICK IN IMPORTING OPIUM, COMMUNICATED TO EMBASSY BY M. MCDONALD, MANAGING DIRECTOR OF RAFHAN MAIZE CORP. (REF C).

3. N.A. JAFFER, CHANDJEE COTTON AND ALLIED, A RAWAL-PINDI EXPORTER, HAS ALSO ASKED NCO ABOUT POSSIBILITY OF EXPORTING OPIUM TO U.S. COMPANIES, IF EXPORT LICENSE COULD BE OBTAINED FROM GOP. JAFFER HAS IDENTIFIED HIMSELF AS PARTY WITH WHICH MCDONALD HAD BEEN DEALING CONCERNING POSSIBLE EXPORT OF AFGHANISTAN-ORIGIN OPIUM FROM PAKISTAN TO U.S. JAFFER HAS BEEN GIVEN DETAILED EXPLANATION OF U.S. POLICY AND HAS BEEN ADVISED THAT IF EMBASSY COULD NOT VERIFY THAT OPIUM FROM AFGHANISTAN HAD ACTUALLY BEEN SEIZED IN ILLICIT TRAFFIC, USG COULD NOT COUNTENANCE THAT TRANSACTION. JAFFER THEN STATED THAT IN VIEW OF US POLICY HE WOULD DROP IDEA OF OPIUM FROM AFGHANISTAN BUT WOULD PURSUE POSSIBILITY OF EXPORTING PAKISTANI OPIUM ALREADY SEIZED. NCO STATED THAT EXPORT OF SEIZED OPIUM BASICALLY TRANSACTION BETWEEN US FIRMS AND GOP AND THAT EMBASSY WOULD NOT BE INVOLVED IN DEALINGS BETWEEN PRIVATE PAK CONCERNS AND PNCB. JAFFER MORE RECENTLY REPORTED AN INQUIRY ALSO FROM THE MALLINKRODT CO. WHICH LAST YEAR MADE LARGE PURCHASES OF SEIZED OPIUM FROM THE LAHORE FACTORY.

4. MCDONALD VISITED EMBASSY IN LATE SEPTEMBER AND REPORTED THAT JAFFER STILL CLAIMED ACCESS TO MORE THAN 25 TONS OF AFGHAN OPIUM WHICH HE (JAFFER) COULD ARRANGE TO HAVE SEIZED BY GOP AUTHORITIES AND CERTIFIED AS SUCH FOR EXPORT TO S.B. PENICK. NCO REITERATED GUIDELINES REF B AND COMMUNICATED CONTENTS REF D. MCDONALD THEN HANDED OVER COPY OF JULY 30 LETTER FROM S. B. PENICK REQUESTING MCDONALD TO AVOID DEALING WITH PRIVATE PARTIES LIMITED OFFICIAL USE

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AND TO NEGOTIATE ONLY WITH OFFICIAL GOP REPRESENTATIVES, WHILE WORKING CLOSELY WITH EMBASSY. LETTER SUGGESTED THAT MCDONALD KEEP TRACK OF REPORTS OF SEIZED OPIUM AND INFORM PENICK IMMEDIATELY SO THAT EARLY BID COULD BE MADE. MCDONALD SAID THAT DESPITE PENICK'S ADVICE, HE HAD CONTINUED TO DEAL WITH JAFFER IN HOPES THAT OPIUM SUPPLY COULD BE SEIZED AND USED FOR EXPORT. WHILE EXPRESSING APPRECIATION FOR MCDONALD'S FRANKNESS, NCO

WARNED THAT EMBASSY DID NOT INTEND TO GET INVOLVED IN ANY TRANSACTION WHICH MIGHT HAVE EFFECT OF STIMULATING ILLEGAL PRODUCTION IN PAKISTAN OR ANYWHERE ELSE.

5. IN VIEW OF ORAKZAI'S PITCH FOR ASSISTANCE IN ARRANGING SEIZED OPIUM SALES, WE WOULD APPRECIATE KNOWING OF ANY APPROACHES TO DEPT. BY U.S. FIRMS, INCLUDING S.B. PENICK AND MALLINKRODT, REGARDING PURCHASES OF SEIZED PAKISTANI OPIUM. WE WOULD ALSO APPRECIATE DEPT. VIEWS ABOUT POSSIBLE ASSISTANCE TO ORAKZAI IN ARRANGING SALES OF OPIUM, VERIFIED AS SEIZED IN ILLICIT TRAFFIC TO U.S. FIRMS.

DECON 6/30/74.

SOBER

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Draft Date: 16 OCT 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
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Disposition Date: 28 MAY 2004
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